

fair that since both sides had agreed to abide by the decision, they take the one issue between them before that body for settlement. His suggestion is regarded as a final one. In view of the conditions which have developed, the President and his advisers regard the strike situation as presenting a grave menace to the country, because of the paralysis of transportation at the source of coal and the threat to industry generally. Industry already is feeling the pinch, and in a few weeks the crop moving season will be on, and there will be a grave menace to the national food supply not only of grain and other products but vegetables and various foods that go through the canneries of the country.

Not a Partisan Appeal.

The appeal, it was made known at the White House, is not a partisan one, but is based on the best judgment of the Government standing between two contending parties seeking an adjustment in the public interest.

The President has no formal conference with the railway executives before sending out his latest proposal. He had no assurance, either from the representatives of the shop unions or from the coal operators, that he had been in a long conference with him before the telegrams were sent out.

Immediately after receiving the President's proposal the strike leaders went into conference. They would make no comment in advance of this formal conference. Upon its conclusion William H. Johnston made public the telegram to Warren S. Stone, president of the Locomotive Engineers and head of the Alliance of all Railroad Unions. It was as follows:

"Shop crafts did everything conceivable to avoid having at all times been willing to confer with any party authorized to submit a proposal as basis of honorable settlement. We are submitting the terms of settlement submitted to the employees and managers July 31. Association of Railway Executives, in rejecting the President's proposal, obviously acting without the direction of those who exercise the financial control and dictate the labor policies of the railroads, repudiated the promise given by the chairman of the President's committee having the support of the American people.

"To date only the employees have made concessions. Obviously, it is to be settled on a basis of equality is to avoid the impending calamity of a collapse of transportation. The Government has the authority to promptly settle the strike on a basis of equality. The President's proposal, however, is now apparent that no constructive program is being proposed and that the railroads and employees can offer additional counsel and advice the lives and safety of employees and traveling public, already endangered by the strike, will be imperiled to a greater extent. Believing that the chief executive of each of the standard railroad labor organizations, as a result of their years of experience, broad public viewpoint and sincere desire for industrial peace, can by conference with the officers of the shop crafts formulate a program having its purpose protection of the public, preservation of the railroad industry and an honorable basis of settlement for the miners and the employees, we respectfully recommend that you as chairman of the railroad organizations, wire each chief executive requesting him to attend conference in Washington, D. C., August 11. We have sent similar telegram to Manion. Advise us machinist headquarters."

All Chiefs to Confer.

The call for a general conference, if acceptable, will bring to Washington all of the brotherhood chiefs and in addition the sixteen railroad unions affiliated with the American Federation of Labor. The general conference is called for Friday, so it would have before it the action of the strike on the President's settlement proposal.

In an informal statement Mr. Jewell said: "Johnson, Mr. Noonan and myself have been in conference for several days considering the proposal made by the President to-day. We have requested the chief executives of all the shop crafts unions to attend the conference. We have also requested the chief executives of the railroad organizations to attend the conference. We have also requested the chief executives of the railroad organizations to attend the conference."

"We requested this general conference because we recognize that the railroad employees not now on strike will in defense of the public interest, and themselves necessarily have to decline to operate the defective locomotives, and cars which they are now being asked to take out."

"It must be clear to any unbiased person that railroad equipment is growing more unsafe each day and some relief must be had through an honorable settlement of the strike. All of the employees now on strike are firm in their position and will continue the strike as long as the Association of Railroad Executives declines to accept reasonable terms of agreement."

By a unanimous vote the Senate to-day passed the resolution which was introduced by Senator Harrison (Miss.) at the request of Senator King (Utah) asking the Interstate Commerce Commission to make a proper inspection of locomotive boilers being made in view of the strike of shopmen.

Sensors who made a study of the resolution and its purpose expressed in their doubts that it would be able to make a favorable report. They pointed out that the commission has only seventy-two boiler inspectors at its disposal and that it is not busy under normal conditions. Since the shopmen have been on strike for several weeks they expressed fear that owing to the rundown condition of some of the railroad equipment it would consume more time in each instance, so that such a small force could possibly cover the whole field adequately.

LABOR BOARD WILLING TO SETTLE SENIORITY

Adopts Resolution After Hearing Adjustment Plan.

CHICAGO, AUG. 7.—The United States Railroad Labor Board expressed its willingness to act on the seniority question now at issue between the railroads and their striking shopmen in a resolution adopted at a meeting late to-night, after President Harding's settlement plan was announced.

The resolution was adopted by a vote of five members of the board against one. O. Wharton, a labor representative, voting against it. The six members were all that were in the city when the meeting was called. The board is now presided. Those who attended were G. W. W. Hanger of the public group, Samuel Higgins, Horace Baker and J. H. Elliot of the labor group and Mr. Wharton and Mr. Hooper.

INDIANA MINES RUNNING.

SPRINGTOWN, IND., AUG. 7 (Associated Press).—Coal production was started in mines Nos. 3 and 9, of the Rowland Power Coal Company this morning, with thirty men working. Superintendent Rowland stated that the output to-day would be five cars, which would be increased to-morrow as portions of the mine now unfit to work will be cleaned about that time. The men at work were imported from Indianapolis Saturday, with the exception of three Terre Haute men who applied for places last night.

Reports from Major-Gen. Tyndall's headquarters this morning indicated that everything was quiet Sunday night.

STATE COAL BOARD SEEKS U. S. RATION

Outerbridge Says Request to Relieve Situation Need Cause No Alarm.

LARGE AMOUNT READY

Application in Early to Assure New York Quick Action in Allocation.

NO DIFFICULTY IN CITY

General Dealers Informed Shipments Will Be Plentiful in Spite of Strike.

New York coal consumers will not have to worry about the supply in this district, according to statements yesterday by members of the New York State Emergency Fuel Committee, appointed by the Governor, and by several of the railroads which bring coal into the city. The machinery of State, city and Federal organizations is starting its work to relieve any stringency. At the close of a meeting of the State committee at the offices of E. H. Outerbridge, chairman, at 11 Broadway, word was sent to the Federal Fuel Committee in Washington that shipments of large amounts of coal will be needed here to relieve the immediate situation and then regular shipments weekly for some time to come.

Opinion was expressed that there will be little difficulty in obtaining the amount asked for. According to the railroads there will be little trouble in bringing the coal here, despite the recent strike developments. A survey of the needs of the majority of the public utility companies throughout the State has been completed and final reports were submitted yesterday to Mr. Outerbridge. The supply from the Federal fuel headquarters will be allocated among the neediest of the utility companies as arranged by Gov. Miller during his visit to Washington last week.

After the immediate needs are taken care of the supply for general dealers will be taken up and indications point to little difficulty. Mr. Outerbridge said that there are large supplies of bituminous coal ready for allocation by the Federal authorities and that his action in placing his request yesterday was to be sure that New York would not be far down the list when the allocation is started.

In referring to the activities of the Utilities Fuel Advisory Committee, recently appointed through the Public Service Commission, Mr. Outerbridge said that it will notify the Governor's committee of the needs of the utility companies. The Governor's committee will in turn be governed entirely by the policy of the Federal fuel authorities. Outside the needs of the railroad, a number of the utility companies yesterday afternoon at the conclusion of the meeting.

Mr. Outerbridge made public the substance of his telegram to the Governor in which he requested that wherever possible water power be used throughout the State in place of coal. This advice also refers to any plant in this city which may be able to use waterpower or any other type of fuel rather than coal until conditions are more settled.

The Pennsylvania Railroad issued the following statement: "Consumers may depend absolutely on the movement of coal on the Pennsylvania System. Every car of coal received by this road from connecting lines is mined on this railroad and is moved with the same regularity as prevailed before the railroad shopmen went out on strike. No interruption whatever has been caused by the railroad strike in the supply of empty coal cars or the movement of loaded cars."

The statement adds that there are a large number of empty cars ready to take on whatever shipments of coal may be ready and that they will come to this city on schedule time. Every producing mine in the State of Pennsylvania can be handled by the supply of coal cars now on hand, the road states, and promises that there will be no danger of any shortage.

Meanwhile the operation of the various committees which are taking stock of the coal available, that stored in or near New York, aboard ships and also of the coal coming here by the railroad continues, and it is promised by the heads of these organizations that within the next week or ten days the matter of rationing New York's coal supply will have been completely arranged. By that time, they say, the shipments of domestic and foreign coal will be arriving in full force and the consumers will hardly know there is such a thing as a coal strike.

Reports from coal dealers in Jersey City submitted to Mayor Hague yesterday by Health Officer James J. Healy show that there are 4,500 tons of coal on hand in the yards there. This coal is about equally divided as to sizes and quality, including both anthracite and bituminous coal, and being in bucket, wheel, pea, egg and other sizes. The report, in addition to numerous others which arrived from different parts of the surrounding country, was forwarded to Gov. Edwards.

The Jersey City public schools have 2,000 tons of coal on hand at present, but more than 10,000 is needed during the school year, and the City Hospital, which has 200 tons on hand, uses as much as 125 tons of coal in a single week. Christ Hospital, which has only about eighteen tons a week, has just about one week's supply available, and the Home for the Aged and several of the armories have absolutely no coal at all and little prospect of obtaining any.

The situation throughout the rest of the State is equally as serious and immediate drastic action must be taken by the fuel committees to save off coal starvation.

"EDICT" BY ONE BIG UNION. LAWRENCE, MASS., AUG. 7.—The One Big Union made public to-day a letter addressed to the directors and stockholders of the Pacific Mill Corporation calling on them to reorganize it, to hold a conference with its representatives and to settle the textile strike in this city. "If the workers return to work under the 20 per cent. wage cut it would degrade this city beyond the limits of the lowest American standards," the letter said.

END OF COAL STRIKE NEAR; TERMS OF PEACE DRAWN UP

Continued from First Page.

Commission that President Harding proposed to appoint. There is no prospect to submit the problems to arbitration; the scheme is to create a fact-finding agency in the industry itself which will substitute self-government for the chaos which has prevailed for nine months.

Old Wage Scale.

The Indiana group of operators who are coming this evening or to-morrow expected to include Mr. Ogile, one of the bitterest enemies in recent months of the old central competitive fields as a means of bargaining in the coal industry.

The fact that the Cleveland conference to-day actually took place was declared to have changed the whole situation for Indiana and Illinois. They formally favored continuing the conference and basic wage scales of the central competitive field, formerly composed of Ohio, western Pennsylvania, Indiana and Illinois. The Pittsburgh Coal Producers Association last winter violently objected to anything but a district agreement and the Indiana and Illinois associations were won over to this point of view. The Western groups have continued consistently to object to making any agreement with national officials of the miners union.

Several of the operators say frankly that they expect the old wage scale will be continued for the slight time declared to have changed the whole situation for Indiana and Illinois. They formally favored continuing the conference and basic wage scales of the central competitive field, formerly composed of Ohio, western Pennsylvania, Indiana and Illinois. The Pittsburgh Coal Producers Association last winter violently objected to anything but a district agreement and the Indiana and Illinois associations were won over to this point of view. The Western groups have continued consistently to object to making any agreement with national officials of the miners union.

The offer to the miners was a proposal that they return to work on the old scale and submit the scale after April 1 to arbitration.

CLEVELAND, AUG. 7 (Associated Press).—Settlement of the nationwide soft coal strike under a definite plan that may result in the making of wage agreements on substantially national basis will be presented to a conference here Wednesday of coal operators, who are expected to come from all parts of the country, with officials of the union miners.

When the first session of the joint conference ended to-day a statement was issued by Mr. Lewis and Michael Gallagher, president of the Pittsburgh Vein Operators Association of Ohio, as follows:

"It was agreed that the conference after being organized should recess to 3 P. M. Wednesday August 9. This action was taken in the belief that other substantial interests would announce their participation in the conference by that time."

Mr. Lewis, who refused to affirm or deny the plan for settlement to be placed before the conference on Wednesday, declared that he was "of the opinion that this week will see the end of the bituminous coal controversy." As soon as this is accomplished the union officials are expected to ask the anthracite operators to renew negotiations on a wage scale that were broken off in June after continuing several weeks.

In calling the conference to order to-day Mr. Lewis did not refer to it as a meeting of the operators from the central competitive field but mentioned the gathering as a "joint conference of miners and operators." Besides choosing Mr. Gallagher as its chairman, the conference elected William Green, secretary-treasurer of the United Mine Workers.

COLORADO DEPORTS FOSTER AS RADICAL

State Rangers Seize Labor Organizer and Take Him to Kansas Line.

DENVER, AUG. 7.—Forcible ejection from Colorado by State rangers yesterday of William Z. Foster, leader of the big steel strike three years ago and nationally known labor organizer, was "for the best interests of the State" and "no law was consulted," Adj.-Gen. Hamrock said to-day.

Foster, who was characterized as a "dangerous radical" by the Adj.-Gen., was taken from a hotel after his arrival from Salt Lake City, placed in an automobile and escorted to the Kansas State line. Hamrock announced. Previously it had been reported he was placed on a train here.

Foster told the rangers his mission was to organize the coal miners of Colorado, but he offered no physical resistance.

A grip Foster carried, and said by Hamrock to contain radical literature, was seized and its contents confiscated. Foster, who is alleged to be the president of the society, "Friends of Soviet Russia," was denounced by the Adj.-Gen., who said: "We have characterized him as an undesirable Colorado and we so decided to have him kept right on going without any stop in Denver."

CHICAGO, AUG. 7.—William Z. Foster is editor of the *Labor Herald*, a paper representing the radical labor faction in Chicago. He also is author of a book on syndicalism, which figured in the Congressional investigation of the 1919 steel strike. Socialist and labor leaders informed on radical activities in Chicago said they knew nothing of any regular organization with which Foster might be connected.

'BIG FOUR' KEY MEN TAKING STRIKE VOTE

Negotiations Over Working Rules Break Down.

CINCINNATI, AUG. 7 (Associated Press).—Telegraphs numbering approximately 1,100 on the Big Four Railroad are taking strike vote following the breakdown in negotiations over the interpretation of working rules. It was announced to-night by the company in a statement to the Associated Press.

Their is an announcement stated that when no agreement could be reached with the employees they offered to refer the matter to the railroad labor board for adjustment, as provided in the transportation act of 1921, but the union refused to take this action and strike ballots are now being taken.

The negotiations in an effort to reach a settlement have been in progress a number of days between E. M. C. Costin of Cincinnati, general manager of the Big Four, and Edward Whalen of Terre Haute, general chairman of the Big Four division of the Order of Railroad Telegraphers.

Among the rules in dispute, according to the statement of Mr. Costin, was the promotion of only telegraphers to station agents, the "intermittent rule" fixing of the starting time at each office "which will not be changed without thirty-six hours notice," and granting of vacations with pay.

Workers of America, as its secretary. Under the plan of settlement to be submitted Wednesday the wages of the miners, paid under the scale by the company last March 31, 1922, and meanwhile the advisory commission would decide what recommendation, as to wages would be made for the future. The commission also would be authorized to investigate all questions affecting the coal industry and, though its power would be advisory, both operators and union officials here regarded this as an important factor in settling local strikes.

Check-Off Continued.

The provision of the plan providing for the reestablishment of the wage scales that were in force in the past before the strike, between the operators and the operators to continue collection of union dues from the check-off system and all other provisions of the last contract.

While the hope was held out by the conferees who had already gathered here that their ranks would be increased on Wednesday, none of them expected representation from the Pittsburgh Coal Producers Association, which controls most of the output of Western Pennsylvania and whose members also have mines in Southern Ohio. In event of the plan being adopted it was said that the union planned to continue the strike wherever the operators do not join in the new agreement.

INDIANAPOLIS, AUG. 7 (Associated Press).—A plan for settlement of the coal strike was presented to-day by Mr. Ogile, president of the Coal Association, to the operators, who have been prominently identified with the operators, and W. A. Glasgow, Jr., counsel for the miners' union, according to A. Ogile, president of the Coal Association. Mr. Ogile declared this plan was apparently the basis of reports from Cleveland to the effect that a strike settlement might be effected.

Ogile's Statement.

Mr. Ogile issued the following statement: "Replying to numerous inquiries in regard to reports that reports coming from the so-called four state conference at Cleveland to the effect that the meeting had been postponed in order that the other districts and other interests be brought into the conference I will say that no effort is being made to persuade any state or district not present to attend such conferences or any local union to provide such action. I know no other interests or districts will attend such a conference."

"All rumors to that effect have apparently resulted from some rumors circulated by Mr. Crawford, secretary of New York and Mr. W. A. Glasgow, Jr., of Philadelphia."

"The recommendations made to Mr. Lewis, who is president of the Big Four, this week will see the end of the bituminous coal controversy." As soon as this is accomplished the union officials are expected to ask the anthracite operators to renew negotiations on a wage scale that were broken off in June after continuing several weeks.

In calling the conference to order to-day Mr. Lewis did not refer to it as a meeting of the operators from the central competitive field but mentioned the gathering as a "joint conference of miners and operators." Besides choosing Mr. Gallagher as its chairman, the conference elected William Green, secretary-treasurer of the United Mine Workers.

STRIKERS DISCLAIM LONG ISLAND PLOT

Offer \$1,000 Reward for Culprits, Saying They Are Misguided Sympathizers.

No further attempts to wreck trains or destroy property on the Long Island Railroad were reported yesterday. Armed guards patrolled the right of way and will continue to do so night and day. A special detail of city policemen will be kept in reserve in case of need.

The railroad received hundreds of letters from Long Island commuters and civic organizations offering to form vigilance committees to aid the regular police. Some of these offers, it was said, will be accepted.

The central strike committee offered a reward of \$1,000, equaling the reward offered by the railroad. At the same time the committee issued a denial of responsibility. Sabotage and violence are forbidden, it declared. The tampering with the third rail Sunday was attributed to misguided strike sympathizers or paid agents of the Long Island Railroad seeking to arouse public sentiment.

C. D. Baker, general superintendent of the railroad, said: "There is no train in the published statement that our train service was badly crippled during the entire day. There were no delays of moment after the breakdown in the morning. There were panics among passengers on any of the early morning trains which were delayed as the result of coming in contact with sections of the third rail which had been maliciously tampered with."

The heavy travel from all points not only on Sunday night, but on Monday morning was handled with usual dispatch and with many people on Long Island said. "As far as we are concerned, there has been no strike affecting our service on the Long Island Railroad."

These people have offered and continue to offer any possible service they can render to insure a continuation of uninterrupted train service."

FALSE TRAIN SIGNAL IMPERILS THE CREW

Man Held For Starting Cars With Inspectors Underneath.

NEW HAVEN, AUG. 7.—Accused of having given the signal which started a train in New Haven, Conn., which ran over the tracks of the Hartford Railroad to-night while two inspectors were underneath a car, Arthur Masonheimer of Mystic is under arrest by agents of the Long Island Railroad seeking to arouse public sentiment.

Masonheimer will also be arraigned before a United States Commissioner on charges arising from the temporary restraining order granted by Judge Charles E. Thomas, ordering all persons to refrain from interfering with the railroad or its property, business or employees.

Masonheimer is alleged by railroad authorities to be a strike sympathizer. The technical charge against him is "interfering with a railroad train." He is a workman and is said to have been working extra.

TEN EYCK FOR GOVERNOR. ALBANY, N. Y., AUG. 7.—The Albany County Democratic Committee to-night voted to support Representative Peter C. Ten Eyck of Albany for the nomination for Governor and former Gov. Martin H. Glynn of Albany for the nomination for United States Senator at the coming Democratic State Convention.

British Expect 5,000,000 Unemployed in Winter

LONDON, AUG. 7 (Associated Press).—At to-day's allied conference, Mr. Lloyd George, referring to M. Poincaré's allusions to the hardships of the population in the devastated regions, said that while these sufferers were estimated at 2,000,000, Great Britain was anticipating the necessity during the coming winter of distributing unemployment doles and other grants from the public funds to 5,000,000 workless pensioners and others in dire straits, directly or indirectly on account of the war.

TWO SLAIN IN RIOT; TROOPS GO TO JOLIET

Order Restored After Railroad Special Agent and Striker Are Shot Down.

JOLIET, ILL., AUG. 7.—With the occupation of the strike zone to-night by four companies of State troops quiet was restored through the area where this morning strikers, sheriff's deputies and railroad detectives fought a pitched battle in which two men were killed and Sheriff James E. Newkirk of Will county was dangerously wounded.

Four companies of the 132d Infantry under command of Lieut. Col. Nelson I. Morris, son of the Chicago packer, arrived here late to-day. A group of 250 strikers gathered at a street intersection were surrounded and searched for weapons. None of the group was armed, and except for a few hoarse shouts the strikers' entry into the strike area was unmarked by any untoward incident.

The riot that resulted in the death of Philip Reitz, chief special agent of the Elgin, Joliet and Eastern Railroad, and a strike striker, is believed to have been the echo of a shooting here last Saturday, in which Patrick McCarthy, a striker, was seriously wounded while on picket duty. Strikers say McCarthy was shot by a railroad guard.

To-day's trouble was started when the Sheriff and Reitz attempted to disperse a mob of 500 which had surrounded the home of a paint shop foreman who refused to quit his job. The sheriff pushed one of the strikers away. Another man in the crowd, believed to have been Lavino, drew a revolver and fired twice. The sheriff fell, shot through the head and knee. Reitz went down at the second volley, shot through the heart with a bullet from the same revolver. One of Reitz's men avenged his chief by killing Lavino.

Late to-night it was reported at the hospital that the sheriff had a chance for his recovery.

Reed Gets Ovation From Both Parties. Smoot's Tariff Speech Interrupted by Senator's Entry.

WASHINGTON, D. C., AUG. 7.—Like a conquering hero, Senator James A. Reed (Dem., Mo.), breezed into the Senate room after it convened to-day and was given a warm reception by both Republicans and Democrats.

At the time Senator Smoot (Rep., Utah), had the floor discussing earnestly the tariff bill. When Senator Reed entered the chamber, he was dressed in a natty blue suit, and wearing white shoes, came into the chamber and stood by the side of the speaker. Several Senators rushed over from the Republican side to extend their congratulations on his renomination, while Democrats rallied around him in large numbers.

After the general reception was over Senator Lodge (Mass.), Republican floor leader, entered the Senate and rushed over to Senator Reed. They exchanged a few words and then returned to their seats in animated tones. Senator Lodge apparently propounded a number of pertinent queries concerning the campaign, and a much gratified at the evident repudiation of the League of Nations and the Wilson policies by the Democrats of Missouri.

While Republican leaders were "rooting" for Senator Reed in the primary, they intended to concentrate the force of their back of Brewster, his Republican opponent, in the general election.

HOOVER FAIR PRICE IDEA FAILS IN PENNSYLVANIA

Railroads Bid Above Maximum Set for Coal.

PHILADELPHIA, AUG. 7 (Associated Press).—The Hoover fair price idea for coal has broken down in Pennsylvania, largely because railroads anxious to get a supply bid \$1.50 above the maximum of \$2.25 to \$2.50 allowed in the Hoover price.

The breakdown came two weeks ago, when certain districts refused to cooperate in the fair price arrangement and railroads in these districts bid the price up.

To check any further skyrocketing of prices Secretary Hoover's Federal Fuel Distributor Spencer called many of the Pennsylvania producers to Washington for a conference to-day. Operators in the State who had chafed the fair price agreement stood to it, and they are cooperating to hold the situation.

The operators proposed that a new price should be fixed at a somewhat higher level than that of June 1, in order to allow for increased working expenses due to car shortages and partial operation of mines. It was contended that the Administration officials should bear the bulk of the present production from Pennsylvania is consumed in that State and, therefore, is not a consequential export factor in international commerce. The Pennsylvania State authorities should participate in any arrangement.

A meeting between the Pennsylvania State Coal Committee and the Administration officials has been arranged for consideration of the matter.

LAWYER FOUND DEAD

Perceval G. Barnard, a lawyer with offices at 60 Church street, was found dead in his apartment at 89 Clark street, Brooklyn, yesterday morning by the superintendent of the building.

Dr. Alexander Rae said the man had been dead three or four hours when found and that death was due to natural causes.

Mrs. Barnard had left the city on Sunday to visit friends in Boston. She was notified of her husband's death. Mr. Barnard, 40 years old, was formerly a noted fencer and pool player. He was 40 years old.

FOUND ANYTHING? If so, see if it is advertised in the Lost and Found columns of to-day's New York Herald.

WAR CLAIMS TREATY AWAITED IN SENATE

Hughes Expected to Announce Terms of Compensation by Germany.

UNDERWOOD BILL DIES

Sentiment Appears Overwhelming Against Confiscation Provisions.

WANT DIRECT PAYMENTS

Legislators Against Gouging and May Approve Having a German on Commission.

By LOUIS SEIBOLD.

WASHINGTON, D. C., AUG. 7.—Sentiment appears to be overwhelmingly opposed to the principal features of the Underwood bill for settling war claims of American nationals against the German Government.

Substantial progress is being made in the negotiation of a treaty between the Washington and Berlin foreign offices to govern conditions under which American citizens will be compensated for losses growing out of German military and naval aggressions.

It is quite probable that such a treaty would have already been agreed on if it had not been for the assumption of Chancellor Rathenau, who, at the time of his death, was handling the matter for his Government. The negotiations have since been renewed and the impression of the members of the Foreign Affairs Committee of the Senate is that Secretary Hughes will soon announce the terms and scope of a treaty acceptable to both Governments.

President Harding and Secretary Hughes have conferred with the Republican members of the Foreign Relations Committee of the Senate and have been assured that neither the Underwood bill nor any other prospective measure will be permitted to interfere with the plans of the executive branch of the Government.

Confiscation Opposed. During the discussions of the claims of several thousand American nationals against Germany, including heirs or victims of the Lusitania, pronounced opposition has developed in Senatorial circles to the proposed confiscation of property of German citizens seized by the Government for the liquidation of American claims.

The position assumed by Secretary Hughes in approaching the proposed convention with Germany is generally upheld in the Senate. The Underwood bill proposes that American claims for indemnity shall be satisfied in the order of priority out of the property of German nationals held by the Alien Property Custodian of this country.

The amount of money represented by property in the hands of this official is approximately \$400,000,000, from which it is proposed by the Underwood bill the American claims shall be liquidated. This proposal is not viewed with favor by the majority of members of the Senate, who concur in the opinions expressed by Secretary Hughes regarding the subject.

In a letter to Senator Nelson (Minn.), chairman of the Senate Judiciary Committee, to which the Underwood bill was referred, the Secretary said in commenting on that measure: "I shall not discuss the plan which the bill sets forth of confiscating the property in the hands of the Alien Property Custodian by providing for its application not only to the payment of the claims of American citizens but also to the claims of this Government for pensions and allowances as described by the bill. While the latter class of claims is to be postponed in payment of the former all are to be satisfied under the provisions of the bill, and it is manifest that the private property of former enemy nationals in the hands of the Alien Property Custodian will not be sufficient for the purposes stated. Up to this time Congress has not committed itself to a confiscatory policy."

Direct Payments. Members of the Senate Foreign Relations Committee who have debated the matter sustain the opinion expressed by the State Secretary that this Government will not approve the confiscation of German property seized by it during the war. The plan which the Washington and Berlin Governments are understood to have in mind would provide for the direct payment by the German Government of claims adjudged to be reasonable and valid without reference to the Alien Property Custodian.

The German Government would probably not offer any objection to the

conversion of the property of German nationals held by this country to recompense Americans for losses sustained by them under war conditions. Objection to such a plan by this Government, however, has already been communicated to the German Foreign Office as being prejudicial to the American viewpoint.

The claims treaty will undoubtedly emphasize the determination of the American Government to hold sedulously to its position throughout the war that it did not seek to emulate the example of some European Governments on the point of ethics involved.

In a resolution adopted by Congress on July 2, 1921, it was expressly stipulated that no disposition should be made of the seized German property until such time as Germany, Austria and Hungary "shall have respectively made suitable provision for the satisfaction of the claims of American citizens who have been damaged by the action of these Governments as stated and until compliance with the other provisions of the resolution."

Property in Pledge. Consequently the German property now held by the Alien Property Custodian or their proceeds if liquidated were to be held virtually in pledge until Germany, Austria and Hungary respectively, make suitable provision for the satisfaction of American claims. In the negotiations between this country and Germany regarding American claims a reasonable plan compatible with the financial resources of Germany will be agreed on for direct settlement and in such a manner as to leave the seized German property unimpaired and free from the stigma of confiscation.

Germany will be required to furnish guarantees for the liquidation of American claims that can be conveniently converted into cash by the beneficiaries whose demands are adjudged valid and reasonable. The German officials and members of Congress who aid has been solicited by American nationals holding claims against Germany agree that some of them are not only extravagant but wholly unreasonable and out of all proportion to the amount and character of damage sustained.

It will be the duty of the commission, which the new treaty between the United States and